GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:229
ANSWERED ON:14.03.2008
GROSS DOMESTIC PRODUCT
Nandy Shri Amitava

Will the Minister of FINANCE be pleased to state:

(a) the quantum of Gross Domestic Product achieved against the target as yet during the year 2007-08;

(b) whether the pace of achievement of the target is slow;

(c) if so, the reasons therefore; and

(d) the target fixed for next five years with regard to Gross Domestic Product?

Answer

FINANCE MINISTER (SHRI P.CHIDAMBARAM)

(a)to(d): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA QUESTION ON MARCH 14, 2008 BY SHRI AMITAVA NANDY

(a) & (b): As per Advanced Estimates of Central Statistical Organisation (CSO), the Gross Domestic Product (GDP) at factor cost at constant (1999-2000) prices in the year 2007-08 is likely to attain a level of Rs.31,14, 452 crore as against GDP of Rs.28,64,310 crore for the year 2006-07. Accordingly, the growth in GDP during 2007-08 is estimated at 8.7 per cent as compared to growth rate of 9.6 per cent in 2006-07. The Government does not set year-specific growth targets.

(c) The growth rate in 2007-08 declined due to a general slow down in most of the sectors except electricity, community services and the composite category "trade, hotels, transport and communications". The deceleration in the growth of agricultural sector is attributed to the slackening in the growth of rabi crops. The slower growth of consumer durables was the most important factor in the slow down of manufacturing sector. Overall, there was a deceleration in the growth of public and private consumption which affected the growth of the services sector, including construction.

(d) The National Development Council has endorsed an average growth of 9 per cent per annum in GDP for the Eleventh Five Year Plan period (2007-2012).